



NEWS RELEASE

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\$14.3 Million Available To Assist in Value-Added Ventures

Lincoln, Neb., March 8, 2005—The United States Department of Agriculture (USDA) Rural Development is accepting competitive applications for \$14.3 million in grants to develop value-added agriculture business ventures and alternative sources of renewable energy.

The \$14.3 million offered through the Value-Added Agricultural Product Market Development Grant (VADG) program encourages independent producers of agricultural commodities to process their raw products into marketable, value-added goods, thereby increasing farm income.

The VADG program is open to eligible independent producers, agricultural producer groups, farmer or rancher cooperatives, and majority-controlled producer-based business ventures. Value-added products are those agricultural products, which gain value through processing, production, segregation or other means, or produce renewable energy on a farm or ranch.

The maximum allowable grant amount is \$100,000 for a planning grant and \$150,000 for working capital. Priority consideration will be given to grant applications that have at least 51 percent of project costs dedicated to planning activities for a bio-energy project. Matching funds are required for eligibility. Grant funds may be used to fund one of the following two: (1) planning activities needed to establish a viable value-added marketing opportunity for an agricultural product (e.g. conduct a feasibility study, develop a business or marketing plan); or (2) acquire working capital to operate a value-added business venture that will allow producers to better compete in domestic and international markets.

Applications must be received no later than May 6, 2005. Detailed information about application and program requirements included in March 7, 2005 publication of Federal Register.

For further VADG program information, an application package or assistance with grant applications, contact USDA Rural Development representatives Cyd Janssen-Chadron, (308) 432-4616; Mary Gambill-Ainsworth (402) 387-2242; or Karissa Hagedorn-Kearney, (308) 237-3118; Teresa Olander-Bloomfield, (402) 373-4914 and Deb Yocum-Beatrice, (402) 223-3125. The VADG application package can be found at:
<http://www.rurdev.usda.gov/rbs/coops/vadg.htm>.

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